

FISCAL NOTE

SB 348 - HB 1778

April 5, 2001

SUMMARY OF BILL:

- Increases the state sales tax from 6.0% to 6.5%, effective July 1, 2001.
- Repeals the state sales tax and 47 other taxes, effective July 1, 2003.

ESTIMATED FISCAL IMPACT:

Increase State Revenues - \$396,000,000 FY 01-02

Decrease State Revenues - Exceeds \$8,000,000,000 FY03-04 and Thereafter

Decrease Local Govt. Revenues - Exceeds \$679,000,000 FY03-04 and Thereafter

Estimate assumes the following:

- an increase in state revenues resulting from raising the state sales tax rate from 6.0% to 6.5% is estimated to be approximately \$396,000,000. Items taxed at a lower rate or exempt from state sales tax were excluded from the estimate.
- a decrease in state revenues resulting from repealing the state sales tax and 47 other taxes is estimated to exceed \$8,000,000,000 in FY03-04 and thereafter.
- a decrease in local government revenues that exceeds \$679,000,000 in FY03-04 and thereafter resulting from state-shared sales tax revenue that is currently allocated to local governments.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

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